

**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

In the Matter of the Nebraska Public )  
Service Commission, on its Own )  
Motion, to Administer the Nebraska )  
Universal Service Fund Broadband )  
Program. )

APPLICATION NO. NUSF-\_\_\_\_\_

**PETITION OF UNITED STATES CELLULAR CORPORATION REQUESTING  
SUPPORT FROM THE NEBRASKA UNIVERSAL SERVICE FUND  
BROADBAND PROGRAM**

**November 18, 2014**



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**I.     Introduction**

United States Cellular Corporation (hereinafter referred to as “USCC or U.S Cellular”) by and through its counsel hereby submits this Petition to the Nebraska Public Service Commission (“Commission”) to receive support from the Nebraska Broadband Program (“NEBP”) to fund the construction of infrastructure to enhance the delivery of wireless broadband service in rural Nebraska. This Petition is being submitted pursuant to the Order entered in Application No. NUSF-92 on September 3, 2014.

U.S. Cellular respectfully files this Petition requesting NEBP support to construct five (5) new towers in rural Nebraska. These towers would be located near the communities of **Alexandria, Arcadia, Rose, Verdigre** and **Wallace**. In support of its Petition, USCC respectfully submits the following:

**II.    Petitioner’s Name, Address and Authorization**

The Petitioner’s name and address is United States Cellular Corporation, 8410 W. Bryn Mawr, Chicago, IL 60631-3486. USCC has licensed wireless service operations in 26 states, including Nebraska and will provide wireless broadband service through FCC

licensed operating entities USCOC Nebraska/Kansas LLC and USCOC of Greater Iowa Inc. The Federal Communications Commission (“FCC”) service area number assigned to USCC is #379019. USCC has been certified as an Eligible Telecommunications Carrier (“ETC”) by the Commission since 2007.

### **III. Proposal for NEBP Support**

USCC respectfully seeks NEBP funding to build five (5) new towers that will bring wireless broadband to areas in rural Nebraska that are presently unserved or underserved. The towers would be located near Alexandria, Arcadia, Rose, Verdigre and Wallace. The tower locations are identified on a map that is attached hereto as *Exhibit 1*.

This Petition is similar to the applications USCC filed in prior years in Application NUSF-69, the Dedicated Wireless Program in that this Petition seeks NUSF support to construct new towers. And like USCC’s previous NEBP applications, these new towers will bring LTE broadband to wireless users who do not currently receive sufficient wireless broadband. USCC believes all five towers in the Petition meet the criteria to be awarded NEBP funding, but would be grateful to be awarded support at any location.

### **IV. Checklist Items**

USCC submits the following information to support its Petition pursuant to the Commission’s Application Checklist:

#### **1. ASSOCIATED COMPANIES**

The companies associated with this Petition are United States Cellular Corporation, d/b/a U.S. Cellular and its FCC licensed operation entities USCOC Nebraska/Kansas

LLC and USCOC of Greater Iowa Inc. which will provide the broadband service to consumers contemplated by this Petition. The main point of contact is:

Stephanie Cassioppi  
United States Cellular Corporation  
8410 W. Bryn Mawr  
Chicago, IL 60631-3486  
(630) 201-3501  
stephanie.cassioppi@USCellular.com

## **2. DESCRIPTION OF THE PROPOSED BROADBAND PROJECT(S)**

USCC's Petition consists of five (5) separate projects. Each project proposes to construct a new tower that would be capable of delivering wireless broadband service. All the proposed towers are located in such sparsely populated areas that they will not be built through the company's normal, business operations. Each tower will be constructed independently and is a separate project; hence, one or more towers can be funded at the Commission's discretion. USCC chose this approach knowing the Commission will receive numerous funding requests, and due to the limited size of the NEBP fund, the Commission may not be able to fund every Petition in full. Broadband speeds of at least 4 Mbps on the downlink and 1 Mbps on the uplink will be provided. U.S. Cellular has experienced average download speeds of 6-12 Mbps in its recent construction of new towers and deployment of broadband elsewhere. The towers will be constructed to meet the IS-856-LTE standard through the use of CDMA2000 EV-DO Rev. A technology.

## **3. "UNSERVED" AND "UNDERSERVED" ANALYSIS**

U.S. Cellular identified "served" areas based on the Commission's criteria of 4 Mbps on the downlink and 1 Mbps on the uplink utilizing the Nebraska Broadband Map, its

own network coverage maps, prior NEBP funding maps created by the Commission, as well as public maps from competitors. As a result of its review, USCC believes the sites identified herein are underserved and/or underserved.

#### **4. LIST OF CENSUS BLOCKS IN EXCEL FORMAT**

Attached electronically hereto as *Confidential Exhibit 2* is a list of census blocks where broadband will be deployed via the new towers. This exhibit, due to its length has not been submitted in writing.

#### **5. ESTIMATE OF THE NUMBER OF POTENTIAL NEW BROADBAND SUBSCRIBERS**

The number of potential new broadband subscribers is attached hereto as *Confidential Exhibit 3*.

#### **6. DEPLOYMENT SCHEDULE**

U.S. Cellular estimates it can construct the towers on the schedule set forth below. This estimate is within the 24-month timeframe established by the Commission. These estimates are based on sound engineering experience, and the phases of deployment will occur concurrently where permissible. The overall time to project completion is estimated to be approximately 18 to 24 months, excluding unforeseen delays associated with obtaining equipment, licenses and zoning permits.

##### Estimated Deployment Schedule:

*Phase 1* – Site acquisition, site preparation and construction. Total time: 32 weeks.

*Phase 2* - Determine if augmentation is required from a core switching equipment perspective to support proposed project. If augmentation is required, order and commission new core switching equipment. Total time: 16 weeks.

*Phase 3* – Upgrade backhaul facilities, commencing immediately upon project approval. Total time: 36 weeks.

*Phase 4* – Order and install broadband base station equipment, installation and integration with core switching equipment. Total time: 25 weeks.

Estimated project completion time frames and milestones are as follows:

<u>Completion Percentage</u>	<u>Description of Milestone</u>	<u>Time Frame</u>
25%	Completion of site acquisition, site preparation, construction, equipment ordering, submission of applications, and completion of network design.	40 weeks
50%	Delivery of all equipment and completion of construction plans.	16 weeks
75%	Receipt of all approvals and commitments of construction; implementation and deployment.	23 weeks
100%	Completion of all installations, optimization, testing and network integration.	25 weeks

## **7. PROPOSED BUDGET**

The proposed budget is attached hereto as *Confidential Exhibit 4*.

## **8. RETAIL PRICING FOR BROADBAND SERVICE**

The retail pricing for U.S. Cellular's broadband products is attached hereto as *Exhibit*

5. Customers have the option to purchase a wireless modem for use on laptops, but a modem is not required to receive broadband service on wireless phones or tablets. In addition, U.S. Cellular offers handsets and tablets that customers have the option to purchase. Pricing information can also be found on U.S. Cellular's website:

<http://www.uscellular.com>

## **9. RETAIL PRICING FOR BASIC VOICE SERVICES**

The above-named *Exhibit 5* includes information providing U.S. Cellular's voice service prices. USCC does not charge a subscriber line charge.

## **10. SERVICE COMMITMENT**

U.S. Cellular commits to offering broadband service to all households within the coverage area for at least five (5) years.

## **11. COMMITMENT TO PARTICIPATE IN MAPPING EFFORTS**

U.S. Cellular commits to provide broadband mapping data to the Commission and its vendors for the duration of the State Broadband Data and Development Program.

## **12. FINANCIAL QUALIFICATIONS**

To demonstrate its financial qualifications, a copy of U.S. Cellular's audited financial statements as of September 31, 2014 (the latest audited financials available) is attached hereto as *Exhibit 6*.

## **13. FINANCIAL, TECHNICAL AND MANAGERIAL COMPETENCE**

Originally formed as TDS Cellular Communications Company in 1983, the company changed its name to United States Cellular Corporation on January 26, 1984. The company is headquartered in Chicago, Illinois and currently has approximately 4.9 million customers. The company employs approximately 6,000 full-time associates across its 26-state footprint. U.S. Cellular employs approximately 213 associates and operates 15 company-owned retail locations, and 31 authorized-agent locations in

Nebraska. In 2013, U.S. Cellular earned nearly \$4 billion in revenue. The company is traded on the New York Stock exchange under the symbol “USM”.

USCC’s is led by a talented leadership team consisting of the following:

- Kenneth R. Meyers, President and Chief Executive Officer
- Steven T. Campbell, Executive Vice President, Finance, Chief Financial Officer, Treasurer
- Jay Ellison, Executive Vice President – Operations
- Michael S. Irizarry, Ph.D., Executive Vice President and Chief Technology Officer, Engineering and Information Services
- John C. Gockley, Vice President, Legal and Regulatory Affairs

U.S. Cellular, using CDMA-technology, commercially launched in Nebraska in the Omaha and Lincoln markets in 2003. In 2006, U.S. Cellular purchased the Cellular A band market, consisting of 106 cell sites, formerly owned by Western Wireless (d/b/a Cellular One). The opportunity to purchase this network arose when Alltel, now Verizon Wireless, purchased Western Wireless and was required to divest certain spectrum in Nebraska. This presented U.S. Cellular with the opportunity to increase its footprint beyond Lincoln and Omaha and reach rural Nebraska. U.S. Cellular has continued to grow and presently has 363 towers in Nebraska.

U.S. Cellular utilizes a state-of-the art mobile switching center located in Omaha. It has a full power back-up system for redundancy. Field teams are based in Nebraska enabling quick dispatch of personnel if on-site repair is required.

In recent years, U.S. Cellular has won the “Highest Network Quality Performance Among Wireless Cell Phone Users” award from J.D. Power and Associates. In



addition, U.S. Cellular has been named by the Omaha Chamber of Commerce as a “Best Places to Work”.

#### **14. FINANCIAL MATCH NEEDED TO MEET PROJECT COMMITMENTS**

U.S. Cellular will contribute a 25% financial match toward funding the projects identified herein using cash on hand.

#### **15. TRUTH AND ACCURACY AFFIDAVIT**

An Affidavit attesting to the truth and accuracy of the information contained in this Petition is attached hereto as *Exhibit 7*.

#### **V. Satisfaction of Eligibility Requirements**

In further support of its Petition, U.S. Cellular states as follows:

1. USCC offers a voice grade service to customers and commits to continue to do so;
2. USCC offers access to emergency services throughout its service area and commits to continue to do so;
3. USCC commits to use support from the NEBP only for the purposes intended and which have been approved by the Commission;
4. USCC commits to fulfill all reporting and audit requirements by the Commission related to the NEBP program; and
5. USCC hereby commits to abide by all applicable Commission rules, regulations and orders.

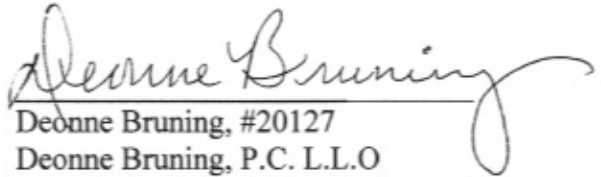
**VI. Conclusion**

The addition of wireless broadband service at the locations proposed herein would significantly improve public safety, health and economic viability in rural Nebraska.

USCC's Petition meets the criteria and objectives of the NEBP, and furthers the goal of making broadband service available statewide. USCC respectfully requests the Commission enter an Order approving it to receive NEBP support for any, or all of the towers described in this Petition.

Respectfully submitted this 18<sup>th</sup> day of November, 2014.

United States Cellular Corporation

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